

PROJECT OVERSIGHT REPORT

HP 3000 Replacement Project – Office of the Insurance
Commissioner (OIC)

Report as of Date:
April 2004

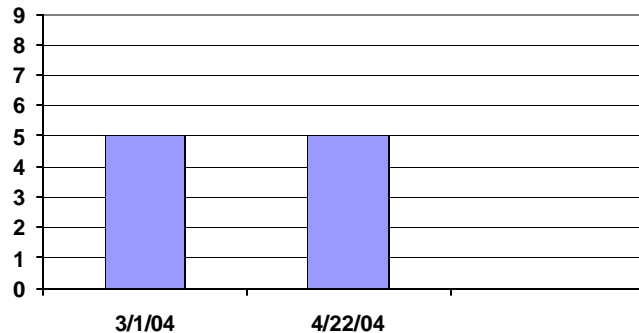
Executive Sponsor: Mike Watson
Project Director: Mike Shea

MOSTD Staff: David Koch

Severity/Risk Rating: Medium (medium severity,
medium risk)

Oversight: Level 3 – ISB
(Approved as Level 3
by DIS Director)

Overall Project Risk Assessment



Staff Recommendations: There are no recommendations at this time. This is an initial project report. ISB Staff will be a member of the project steering committee and will provide oversight and recommendations for compliance with ISB requirements.

Issues/Risks:

Schedule: The schedule is very tight and contains little contingency.

External Quality Assurance: OIC has allocated funds for Independent Verification and Validation (IV & V) for this project.

Status:

Life Cycle Stage: The project is in the initial life cycle phase; a conceptual design and feasibility study have been completed. Gartner, Inc. conducted a feasibility study for the OIC. Based on the feasibility study OIC's investment plan was approved by the Director of DIS. The project exceeded the delegated authority of OIC and was determined to be a Level 2 project per the ISB severity and risk analysis process. Since the HP 3000 is a mission critical platform for OIC, the Director of DIS has increased the level of oversight for the project to Level 3.

Budget/Cost:

Implementation/development costs:

Software Licenses	\$475,000
Hardware	\$161,000
Contract Services	\$2,195,683
OIC Staff	\$229,834
Total	\$3,061,517
Annual Maintenance	\$318,164
5 Year Maintenance	\$1,590,820

Total Cost for Life Cycle **\$4,652,337**

Project Management: The project has agency executive and ISB Staff oversight. The OIC IT manager is currently coordinating the project. A contract project manager will be hired. The schedule for the project steering committee is to be determined. Executive sponsor (Mike Watson) involvement will be expected and is critical to the success of the project.

Schedule.

Activity	Start Date	Completion Date	Status
Project initiation	April 2004		Complete
Requirements definition	April 2004	June 2005	
Select integration vendor	March 2005	June 2005	
Conduct solicitation	April 2005	May 2005	
System development	July 2005	October 2005	
System testing	July 2006	September 2006	
Data conversion	November 2005	September 2006	
Training	September 2006	October 2006	
Implementation		December 2006	

Background Information

The project will allow OIC to replace its Hewlett Packard 3000 system. HP will cease support for HP 3000s as of December 31, 2006. The Director of the Department of Information Services has approved the acquisition of the replacement system and directed that OIC provide an information briefing to the ISB.

OIC has responsibility for regulating all insurance business in Washington under the authority granted by the insurance laws of the state. The OIC was initially created by the first state Legislature in 1889-90, per Chapter 48.02 RCW and was first administered as an adjunct of the duties of the Secretary of State. Subsequent chapters of Title 48 define the Commissioner's authority and responsibility for matters such as insurance company formation, capital and reserve requirements, regulatory requirements for specified lines of insurance, and company rehabilitation or liquidation. The OIC became an independent state office in 1907, and the state elected its first Insurance Commissioner in 1908. There have been eight elected commissioners since then. The majority of OIC activities are funded through fees paid by the insurance industry as well as federal grants that fund specific outreach activities. Regulation of the insurance industry is the responsibility of the individual states.

The majority of applications and data repositories currently utilized to meet OIC's business objectives and supporting OIC operations, run on the HP3000 platform. Hewlett Packard, the manufacturer of the HP3000, recently announced that it will cease support for this platform as of December 31, 2006. Originally developed using the Speedware programming language and a Turbolmage database system, the current set of applications and databases serve as the primary information source and automated functionality for OIC business operations.

In addition to supporting the required platform migration, a number of business and technical issues and opportunities can be addressed by assessing the current HP3000/Speedware system's ability to serve OIC in a productive and cost-effective manner in the future and meet the business objectives discussed below. OIC's approach to meet the above objectives is to institute a best-of-breed procurement strategy that will identify and implement package solutions that meet OIC's needs. The technology platform will be Windows NT/2000 (or, depending upon the implementation date, the latest Microsoft server release) suite, which is consistent with OIC

technical direction. Much of OIC's current requirements will be met by integrating available COTS (Commercial Off The Shelf Software) products with supporting custom development as required. Package modifications (e.g. building workflow route maps) will have to be performed as well as a limited custom programming to provide functionality not available from package solutions.